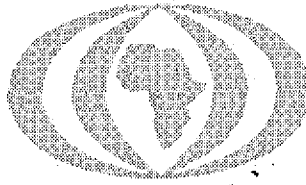


DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS



Jan Smuts House/-Huis
1 Jan Smuts Avenue/Laan 1
Braamfontein, Johannesburg
Tel: 39-2021/22/23

P.O. Box/Posbus 31596
2017 Braamfontein
South Africa/Suid-Afrika
T.A. 'Insintaff' Johannesburg

NOT FOR PUBLICATION

Brief Report No. 36

M A L A W I.

The recent reshuffling of the Malawi Cabinet which included dismissal of the Secretary-General of the Malawi Congress Party, Mr Bakili Muluzu, is of interest and concern to South Africans. That country, under the Presidency of Dr H Kamuzu Banda, remains Pretoria's only link with Black Africa.

Persistent press speculation, at the time of the Cabinet changes, referred to the President's age and the general problems which might ensue in the event of his not being able to continue in office.

Both press reporting and scholarship in the social science in Malawi is restricted, with the result that public policy issues, including the question of succession, are seldom, if ever, debated.

This Brief Report, prepared by the Research Staff at Jan Smuts House, draws on available sources of information and is a frank assessment of the present situation in Malawi.

The report is divided into the following sections:

- 1 Statistics and Background Information;
- 2 Some Aspects of Post-Independent Malawi;
- 3 Recent Economic Developments and,
- 4 Malawi, South Africa and the Future.

1 STATISTICS AND BACKGROUND INFORMATION

Political Status. Formerly the British Colony of Nyasaland, gained its independence in 1964. Present ruling party within One Party System, is the Malawi Congress Party (MCP).

Life President. Dr H Kamuzu Banda (also Minister of External Affairs, Justice, Works, Supplies and Agriculture.)

Central Executive Power. All vested in the President through the Malawi Congress Party.

The National Assembly. Has Legislative Powers and comprises 128 elected and 38 nominated members.

Population. 5.97-million.

Language. Cichewa (official) and English (unofficial).

Currency. 100 tambala = 1 Kwacha (K).

Exchange rates: K1 = R1,0405.

ECONOMY

Economy. G.D.P. K1 241,4-million (1980).

Main Exports. Tobacco, tea, sugar, groundnuts, cotton, tung, rice, sunflower seeds.

Value of Exports. K239-million (1980).

Value of Imports. K356-million (1980).

Main Imports. Consumer goods, plant machinery and equipment, transport means, materials for building and construction, basic and auxiliary materials for industry.

Tourism. Some 50 000 tourists per annum visit the country.

Estimated real growth. Averaged 6.5% since Independence.

2. SOME ASPECTS OF POST-INDEPENDENT MALAWI

Malawi was granted independence on 6 July 1964, and two years later, on 5 July 1966, became a Republic. The transition from a monarchical constitution to a republican one was accompanied by a decision to turn the country into a one-party state. This decision effectively made de jure a de facto position, since the Malawi Congress Party (MCP) was the only political party in Parliament.

Under the independence constitution, Dr H Kamuzu Banda had been Prime Minister and, on the change of governmental systems, was nominated by the MCP as the first President. In 1970, at the Annual Convention of the MCP, a resolution was passed declaring Banda 'President for his life time'.

In every sense, the Life President dominates the country and the vehicles for his domination run through the MCP (and its subsidiary organs), the Civil Service and the military. Throughout every facet of Malawian life, the central focus of organisational and individual loyalty is the figure of Dr. Banda.

Any challenge to this status quo is not tolerated. In March 1981, for example, a former Cabinet Minister was sentenced to 22 years imprisonment for sedition, after a trial before a traditional court. The essence of the charge against him rested on the fact that he did not accredit praise offered to himself to the Life President.

Despite or because of, the inflexibility of Banda's position, three exiled opposition groups exist. The most effective of these appears to be Lesoma (Socialist League of Malawi) led by Dr Attati Mpakati. This group, operating from nearby Zimbabwe, claims to have extensive grassroots support in Malawi and was recently implicated in the spreading of subversive and seditious pamphlets in the country.

The oldest of the exiled groups is the Malawi Freedom Movement (MFM). It comprises former members of the MCP and appears to operate directly from Zambia. (Some reports indicate that the MFM has an uneasy relationship with State House in Lusaka.)

The smallest exiled group is the so-called Congress for the Second Republic which operates out of Dar-es-Salaam under the leadership of Kanyama Chiume - an old Banda associate and former Minister of External Affairs.

Attempts by these three groups to form a united opposition to Banda collapsed in mid 1981 and the split should probably be considered more ideological than tribal.

However, the efficacy of the exiled movements to bring change in Malawi must, at this stage, be considered remote. Malawi's essentially rural population has been effectively penetrated by two MCP organs, The Malawi League of Women and the Youth League of Malawi.

A highly controversial aspect of Banda's politics has been his determination to persist, in the face of both domestic and foreign opposition, with his policy of contact with Pretoria. The two countries first exchanged diplomats in March 1969, and, a year earlier, Pretoria provided Malawi with an R8 million loan to build the new capital of Lilongwe. Other loans were made for various infrastructural projects such as railways, transmission stations and roads.

Various South African Cabinet Ministers have visited Malawi following a pioneering visit to Zomba (then the capital) by Dr. Hilgard Müller, the South African Foreign Minister, in 1968:

Following a visit to Malawi by State President Jim Fouché in 1970, Dr Banda, in August 1971, paid a highly controversial official visit to South Africa. The visit, following as it did upon the loans and widespread condemnation elsewhere in Africa, should be regarded as the zenith of the relationship.

B RECENT ECONOMIC DEVELOPMENTS.

In the main, a tight fiscal policy has ensured that Malawi sustained a healthy 6.5% average growth in real terms throughout much of the Sixties and Seventies. Recent years, however, have witnessed a faltering in the economy with a drop in real growth from 7.9% in 1977, to 4.4% in 1979, to 0.6% in 1980. Moreover, the past few years have witnessed food shortages in certain - particularly the southern - areas of the country.

The Malawian economy, like that of most developing countries, is at the mercy of the terms of trade and these have also fallen drastically in recent times.

An economic crisis was brought to a head by a falling balance of payments from a deficit of K16.5-million in 1976; a surplus of K15.2-million in 1977; followed by deficits of K64.5-million and K64.3-million in 1978 and 1979. As this was happening, the external debt rose from K32.7-million to K47-million. In 1980, these problems were exacerbated by poor weather conditions which affected the output of peasant farmers.

Agriculture provides the mainstay of the economy, Malawi possessing few natural resources. However, there have been some coal discoveries in the past year with reserves sufficient to cater for local demand. More recently, reports indicate that exploitable quantities of glass sands have been discovered in the Mchinji district. An investment of some K6-million by a local company will save the country some K3-million in foreign exchange, per annum.

The Government has responded to the economic situation by inter alia calling on IMF/World Bank credits and stepping up foreign borrowing at commercial rates. The IMF/World Bank

agreed to these only after an investigation of the economy and a visit to Malawi by World Bank President, A. W. Clausen. In addition budgets were slashed, taxes increased and a deposit levy on imports introduced. Moreover, development expenditure was trimmed by some K9-million for the current year.

Two controversial development projects which were near completion were not affected by the budget. These were the Kamuzu Academy (the so-called Eton of Malawi) and the new International Airport at Lilongwe. The former is said to have cost in the region of K14.5 million and its prestigious aims have made it controversial. (It is for example estimated that for every one pupil at the Academy some 150 could have been placed in other schools).

The Airport project is estimated to have cost in the region of K70 to K80 million. This, too, is widely regarded as a prestige project and some critics indicate that it was not really necessary and further, that the infrastructure at Lilongwe is, at the present time, not able to cater for such a project. (At the moment, this project, though almost complete, has been frozen until such time as the necessary infrastructure has been completed).

Inflation in Malawi is currently estimated to be running at 15% and the turn of the year across the board (private and public sector) 15% increase in wages is likely to add fuel to the spiral.

Average per capita income is very difficult to estimate as so many Malawians are in a subsistence economy. However, recent estimates indicate that this figure is in the region of K50 per annum.

Of major economic concern is the drop in agricultural production by peasant farmers. Two factors are said to account for this: First, the poor weather conditions of recent times, and secondly, and of far greater importance, the controlled prices set by ADMARK, (the Agricultural Development and Marketing Corporation) which are forcing many peasant farmers to cut their production of crops.

It is widely speculated that the World Bank Report on Malawi drew the Banda Government's attention to this and pointed out the necessity of maintaining accepted rates of return to keep peasant farmers producing crops.

C MALAWI, SOUTH AFRICA AND THE FUTURE

As President Banda enters his eighties, it is patently clear that aspects of his carefully nurtured position as a bridge between the 'White' South and Black Africa are under threat.

Firstly, his long-standing support both for the Portuguese and Rhodesian efforts collapsed with the changes in Mocambique and Zimbabwe. In the case of Mocambique, it has brought him face to face on two borders with a country whose ideological position he cannot share.

Secondly, Banda has moved some way - certainly covertly - to distance himself from Pretoria. He realises that, given the magnitude of isolation which Pretoria now faces, South Africa needs Malawi more than the reverse position. For the present, however, the states surrounding him appear to have accepted the fact that Banda himself cannot go on forever and that, in these circumstances, it would be better to woo his successors away from the pro-Pretoria stance. As a result, his idiosyncratic - from Africa's point of view - foreign policy is currently tolerated.

It was therefore natural for Malawi to join the Southern African Development Co-ordinating Conference (SADCC). Within that organisation, Malawi has accepted responsibility for Fishing and Forestry, and it is noteworthy that the SADCC III meeting was held in Malawi on November 19 and 20, 1981. This association means that the country will drift further from Pretoria. There should, however, be little alarm over the immediate state of Malawi's relations with South Africa. The unique brand of Banda's pragmatism is likely to continue throughout the life of the President and he will remain poised between Black and White in Southern Africa, despite the fact that there is a slight tilt towards Black Africa.

The real issues would arise, of course, on the death or incapacitation of the President. While the Constitution does provide for a Presidential Commission both to rule and to initiate the process of finding a successor, the real test of Malawi's future will be the world view and political alignments of any successor.

At the moment, it is impossible to say what might happen. Discounting any success by the exiled movements, three likely contenders for power within the existing structure present themselves: Firstly, the army with an uncertain focus of loyalty towards the MCP or the State. Secondly, the Kadzamira family with its close association to Dr Banda which, it is speculated, might play a broker's role in any succession. Finally, Aleke Banda, a former Cabinet Minister, now in preventative detention, but who it is thought enjoys considerable grassroots support.

There may be other contenders not as well known. Speculation on the succession is considerably complicated by the reluctance of potential candidates to entertain the thought for fear of seeming to pose a threat to President Banda and consequently being purged.

For further information contact Dr. Peter Vale at the SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS Tel.No. (011) 39/2021